

3/6/21

Mr. Chairman and members of the committee, my name is Marc Taylor. I am an owner of Northern Plains Equipment, a Case IH dealer, and I am here to testify in support of HB 1366. This bill will help to allow dealerships to recover their contribution to the increased value of a customer's repaired equipment in the event the customer does not pay for the repairs they requested.

I would like to identify a couple of incidents where equipment that we have repaired has been "abandoned" with us to illustrate the need for this bill.

Example 1 – My dealership overhauled the engine of a Steiger four-wheel drive tractor per the customer's instructions. The repair order was approximately \$6,700, and the value of the tractor was about \$15,500. We contacted the customer repeatedly and were assured he would be in to pay the bill and take possession of the tractor. At some point the customer quit responding, and his address was no longer valid. Rumor was he had moved out of the area. We have never been able to re-establish contact with this individual.

Example 2 – A customer brought in a John Deere four-wheel drive tractor because there was "an unusual noise" in the drive train. Our service tech began the repair, diagnosed the issue, and identified the problem as a complete differential failure. The customer then decided they did not want the tractor and it has been sitting on our lot for years.

Example 3 – Occasionally, we see equipment that a customer wants repaired simply for sentimental reasons and not actual utility. In some cases, the repairs exceed the value of the equipment. However, the customer still directs us to perform the repair. So, in order to take care of the customer, we perform the repair for them. Sometimes the customer changes their mind and abandons the property with us.

The abandonment issue really pertains to low value equipment. Dealers simply do not see farmers abandoning high value equipment with us.

In many cases, transportation is an absolutely necessary part of the repair process. There are many instances when we need to send our service trucks out to the field to repair equipment. These service trucks cost close to \$200,000 and it is a significant cost for us to operate them. Current law is not exactly clear on whether transportation is included in our lien. This bill provides that clarity.

Storage costs are also associated with many repairs. We have to ensure that we have purchased enough land to store this large equipment. This is obviously a cost for us. In addition, dealers are held responsible for any damage that may occur while the equipment is in the dealership's possession. That can include anything from hail, high winds, or vandalism. When vandalism does occur with "Precision Equipment" – a frequent target – there is often more damage to the machine than the value of what was stolen. If the equipment is damaged or vandalized while it is in our possession, we have to pay to repair or replace it. Storage fees help to mitigate the costs associated with both the repair process and damaged equipment.

Mr. Chairman, in summary, this bill is pretty simple in concept. It allows dealers to sell equipment that has been abandoned with them, and it also recognizes that both storage and transportation are part of the repair process. Thank you, Mr. Chairman and members of the Committee.

Marc Taylor
Northern Plains Equipment